

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILPITAS ESTABLISHING A
RISK MANAGEMENT PROGRAM**

WHEREAS, the City of Milpitas is a member of the Association of Bay Area Governments (ABAG) Plan, and

WHEREAS, it is recommended that a risk management program be established in a public agency to accomplish certain goals, and

WHEREAS, it is the intent of the City of Milpitas to provide a safe environment for its residents, visitors, and employees in which to live and work,

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Milpitas does hereby adopt a risk management program to preserve its human, physical, and financial resources from the risk of accidental loss. The major goals of this risk management program are:

1. To eliminate or reduce the risk of loss to public properties;
2. To prevent injuries to public employees and private citizens who may suffer damage due to the actions or decisions of public employees or officials in the course of their duties
3. To apply responsive claims management techniques to losses that do occur; and
4. To protect the City budget from catastrophic losses, or an annual accumulation of losses, that would cause financial hardship. Catastrophic loss is defined as any loss in excess of \$1,000,000.

The City's Finance Director is designated as the Risk Manager. Overall responsibility for the implementation of a risk management program shall lie with the Risk manager. To accomplish the goals of risk mitigation, the Risk Manager shall coordinate the formation of a Risk Management and Safety Committee whose proposes are to review accidents and root causes and provide "best practice" recommendations. Risk management remains the responsibility of each department director and supervisor.

Risk Management Program Policies

1. The risk management program is a systematic process to identify, measure and control loss exposures. A citywide hazard identification system will be implemented by the Risk Manager to quickly identify hazardous conditions and effect repairs. All employees shall be encouraged to notify their supervisor, department head, or the City Risk Manager of any condition that may expose someone to injury or damage.
2. The risk management program is a responsive claims administration system. The Risk Manager will review all incident reports and claims, and will notify ABAG PLAN and their adjustment firm in a timely manner of all serious accidents or claims. Department head and supervisor will review all accident reports, incident reports, and claims affecting their organization, and provide timely information to the risk manager and ABAG PLAN's appointed claim adjuster.

3. The risk management program is the transfer of the City's risk of loss to others whenever possible and practical. The Risk Manager will develop a risk transfer process that assures the use of hold harmless and indemnity clauses in all City agreements, contracts, leases, permits, purchase orders and rental agreements, and the use of insurance clauses that provide adequate protection to the City, within the judgment of the Risk Manager.

Accident Review Process

An accident review process with the Risk Management and Safety Committee shall be coordinated by the Risk Manager to review all accidents, incidents and claims to determine their cause, preventability, methods to prevent future occurrences, and claims and litigation defense strategy. The review process should be conducted periodically, but no less than quarterly.

Safety Review Process

A safety review process with the Risk Management and Safety Committee shall be coordinated by the Risk Manager to discuss safety issues and get feedback from City employees on how to make City operations safer. The safety review process shall take into account standard industrial safety practices and safety orders issued by the state agencies. The review process should be conducted periodically, but no less than quarterly.

Insurance

The City will establish self-insurance retention limits consistent with its financial resources. The City will establish reserves on all self-insured losses to recognize the expected future cost, and appropriate funds to cover all self-insured liabilities.

Insurance for risks and catastrophic loss potential shall be purchased whenever it is economically feasible, within the judgment of the Risk Manager.

The Risk Manager shall be the City's liaison with the ABAG Plan and its claim administration program.

PASSED AND ADOPTED this ____ day of _____, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

APPROVED:

Mary Lavelle, City Clerk

Jose S. Esteves,

APPROVED AS TO FORM:

Steven T. Mattas, City Attorney